

**ARKANSAS PROFESSIONAL BAIL BOND COMPANY AND PROFESSIONAL
BAIL BONDSMAN LICENSING BOARD**

June 11, 2004

Chairman Don Smith called the meeting to order at 9:00 a.m.

Roll call was taken and the following members were present: Don Smith, Frank Sturgeon, Eugene Reynolds, Phyllis Carruth, and Marc Oudin. Also present were Assistant Attorney General, Larry Crane, Tommy Reed, Executive Director, Board staff and members of the audience.

Following a review of the Board Minutes for May 14, Sturgeon moved to approve. Oudin seconded. The motion carried.

OLD BUSINESS

License Approvals:

Twenty-two (22) non-controversial license applications and five (5) non-controversial tentative license applications were submitted for Board approval. Oudin questioned the large number of transfers. Reed responded the transfers were related to the Will Oliver/Liz Frawley matter currently before the board. Reynolds questioned Ron Oliver, a principal of Will Oliver/Liz Frawley's Bail Bonds, as to whether Oliver had objections to the transfers. Oliver stated he had no problems with the transfers. Oudin moved to approve the license applications as presented. Sturgeon seconded. The motion carried.

Forfeitures:

Reed presented the Forfeiture Report for the Board's information and requested the Board's approval to suspend those licensees who failed to pay their forfeitures timely. Carruth moved to suspend any licensee whose forfeitures were not timely paid. Morris seconded. The motion carried.

Reed presented the Past Due Forfeiture Report. Chairman Smith called for questions and/or discussion and, hearing none, inquired as to whether there was any further old business. There being none, the Board turned to new business.

NEW BUSINESS

May Vouchers Paid:

Chairman Smith invited questions and/or discussion regarding the vouchers paid in May. There being none, the Board proceeded.

Bud Dennis Bonding Co., Inc.:

Reed advised the Board that (1) the company license was currently suspended due to unsatisfied forfeiture judgments; (2) the Insurance Dept had given notice of the company's failure to file the Quarterly Report due April 15, 2004 and of the fees and penalties due and owing; (3) the Public Defender Commission had given notice that the sum of \$6,080 was due and owing for fees collected on bonds written during the quarter; and that (4) a letter indicating the dissolution of the business had been received from the principals, Gary and Collen Morris. Reed recommended the Board revoke the company license and that he be authorized to cash the security deposit and apply the proceeds towards unsatisfied forfeiture judgments and sums owed to the Insurance Dept and Public Defender Commission.

Oudin questioned whether the security deposit could be used to pay the fees and penalties due the Insurance Dept and Public Defender Commission. Reed responded that the statutes did provide for use of the security deposit to satisfy such liabilities. After discussion, Sturgeon moved to revoke the company license and attach the security deposit for disbursement in satisfaction of unsatisfied forfeiture judgments and fees and penalties owed. Carruth seconded. The motion carried

J&J Bail Bonding, Inc.:

Reed summarized the situation as follows: (1) The Board's order of suspension was affirmed on appeal; (2) the suspension is effective from October 31, 2003 through July 31, 2004; (3) the security deposit has been disbursed to cover unsatisfied forfeiture judgments; (4) there is a total of \$60,103.91 in outstanding unsatisfied forfeiture judgments; (5) the company has failed to comply with provisions of the Board's order; and (6) the Insurance Dept has assessed a penalty of \$3,300 due to untimely filing of the Quarterly Report due April 15, 2004. Reed recommended the matter be set for hearing at the July Board meeting to determine whether the company license should be revoked for failure to comply with the Board's Order.

Will Oliver/Liz Frawley's Bail Bonds:

Reed summarized the history of this matter before the Board and advised that (1) a company application listing Ron Oliver as President and sole stockholder had been submitted for consideration on June 7, 2004; (2) Elizabeth Frawley submitted a letter to the Board dated June 8, 2004 indicating no agreement regarding the transfer of ownership had been reached between the parties; and (3) Elizabeth Frawley had submitted a document entitled "Agreement" which she stated had been drafted by Ron Oliver and Will Oliver and submitted for her signature.

Ron Oliver was present. Will Oliver was present with his attorney, Jeff Rosenzweig. Elizabeth Frawley was present with her attorney, John Ogles. Rosenzweig stated (1) the parties agreed they do not need to be in business together; (2) Ms. Frawley would leave the company and set up her own bail bonding company; (3) Ron Oliver will be the owner of the company and Will Oliver will be merely an agent of the company; (4) due to transfers of agents, there were currently only 4 agents licensed under the company; (5) his understanding of the problem preventing resolution of transfer of ownership was the extent of liability Ms. Frawley should bear with regard to bonds and/or debts written or incurred prior to the dissolution of the company; (6) Ron Oliver and Will Oliver would make sure debts were paid so as to prevent loss of licensure and would have the issues settled in a court of law.

Frawley stated (1) she had twice communicated to the Executive Director (Linda Longstreth) her concerns regarding the problems in the company; (2) there were "at least 50" bonds that had been forfeited but not reported; and (3) the Board should conduct an investigation.

Board Investigator, Hatfield, requested a report indicating bonds exonerated since the beginning of the second quarter of 2004. Ron Oliver stated (1) he was unaware of any bond forfeitures being hidden; (2) he was "offering to take over as sole owner of this company" and "would be responsible" for any forfeitures; (3) he was the one that "has the security up for this company;" and (4) he had no problem with any investigation the Board might order.

The Chairman directed Reed to perform an investigation and take such actions as are warranted based on the results of the investigation.

A. Jeffries Bonding Company:

The parties were present and advised they were unclear as to what the Board had requested of them, i.e. an Order of the Probate Court transferring ownership of the company from the estate to Ms. Jefferies. The parties stated they now understood and would have the estate attorney obtain the Order and would then present it to the Board.

City Bail Bonds, Inc.

This matter was placed on the agenda subsequent to agenda and packets being prepared. Reed advised the Board that City Bail Bonds, Inc. requested permission to reduce their security deposit from \$57,000.00 to \$50,000. Reed stated there should be no problem with the reduction assuming the company's unsecured bond liability would not exceed the statutory limitations. The Board requested that complete information concerning the company's security deposit and unsecured liability as reported on the most recent quarterly report be submitted at the July Board meeting before any action be taken.

Public Comments:

Chairman Smith asked for Public Comments. Tom Nickolich reminded the Board that a company license for Liz and Stan's Bail Bonds had been approved at the May Board meeting and that the Board had been told there was no connection between the company and Liz Frawley. He noted that the applications to transfer approved by the Board today were all from Will Oliver/Liz Frawley Bail Bonds and the transfers were all to Liz and Stan Bail Bonds. He stated he suspected in a matter of months Liz Frawley would be licensed under Liz and Stan Bail Bonds. There was discussion regarding whether the Board had been misled regarding whether Liz Frawley was associated with Liz and Stan Bail Bonds.

There being no further comments or business, Carruth requested the Board go into Executive Session for the purpose of discussing a personnel matter. The Board then retired to Executive Session.

After Executive Session, the meeting resumed and Chairman Smith announced the Board had discussed prior and current staff members and the role of the executive director in regard to staffing decisions and had determined the Executive Director has the authority to manage his office and staff as determined by him to be necessary. Reed stated he appreciated the statement of support and that he was pleased with the efforts of the current staff and did not anticipate any changes but would make the Board aware if such changes were determined to be necessary.

Sturgeon moved the meeting be adjourned. Oudin seconded. The motion carried and the meeting was adjourned.

Submitted for approval:

This 9th day of July, 2004 _____